



A BILL FOR AN ORDINANCE

RELATING TO REAL PROPERTY TAX RELIEF FOR PROPERTIES USED FOR AFFORDABLE HOUSING.

BE IT ORDAINED by the People of the City and County of Honolulu:

SECTION 1. Purpose. The purpose of this ordinance is to provide real property tax relief for certain properties that are used as affordable homes.

SECTION 2. Chapter 8, Article 7, Revised Ordinances of Honolulu 1990 ("Valuations"), is amended by adding a new section to be appropriately designated by the Revisor of Ordinances and to read as follows:

"Sec. 8-7. Property dedicated as an affordable home.

- (a) For the purposes of this section, the following definitions apply unless the context clearly indicates or requires a different meaning:

"Affordable home" means a home that is designated for and initially only could be sold to persons whose household incomes fall within the low-income or moderate-income range.

"Dedication period" means, pursuant to the terms of the initial purchase agreement for an affordable home:

- (1) The period during which an affordable home must remain an affordable home; or
- (2) The period during which the State, a State agency or department, or the city has the first option to purchase an affordable home prior to the owner selling the affordable home,

whichever period is longer.

"Low-income" means household income that does not exceed eighty percent of the area median income.

"Moderate-income" means a household income that is greater than 80 percent, but does not exceed 120 percent, of the area median income.

"Owner" means the fee owner of the real property.



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- (b) The initial owner of real property purchased as an affordable home may make a dedication of the owner's property. The property must continuously and exclusively be used as the owner's principal home during the dedication period as evidenced by the owner's receipt of the tax exemption pursuant to Section 8-10.4 for each year of the dedication period. The home may not be rented or sold during the dedication period.
- (c) Notwithstanding the provisions of Section 8-7.1, the assessed valuation of dedicated property shall be the initial purchase price of the dedicated property specified in the purchase agreement for the property."

SECTION 3. New ordinance material is underscored. When revising, compiling or printing this ordinance for inclusion in the Revised Ordinances of Honolulu, the Revisor of Ordinances need not include the underscoring.



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SECTION 4. This ordinance takes effect upon its approval and applies to the tax years beginning July 1, 2021 and thereafter.

INTRODUCED BY:

Kym Pua

DATE OF INTRODUCTION:

FEB 13 2020

Honolulu, Hawaii

Councilmembers

APPROVED AS TO FORM AND LEGALITY:

Deputy Corporation Counsel

APPROVED this _____ day of _____, 20 _____.

KIRK CALDWELL, Mayor
City and County of Honolulu